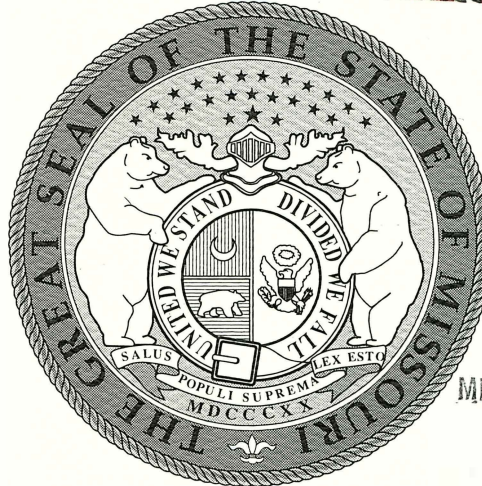


THE FINAL REPORT



**MANAGEMENT
IMPROVEMENT AND
CUSTOMER FOCUS
TASK FORCE**

AUGUST 31, 1994

**COMMISSION ON MANAGEMENT
AND PRODUCTIVITY**

Management Improvement and Customer Focus Task Force

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Management Improvement and Customer Focus Task Force

Executive Summary

Background

The Commission on Management and Productivity was convened by Governor Carnahan in February 1994 to conduct a major review of state government, evaluate its strengths and weaknesses, and prescribe reform. This has been a collaborative effort between the executive branch, legislative branch, and the private sector to analyze issues and develop solutions for improving management and enhancing customer service in Missouri state government. Six task forces developed recommendations and implementation strategies on the following issue areas: fiscal policy, workforce, efficient operations, management improvement and customer service, automation, and strategic planning.

The Management Improvement and Customer Focus Task Force was charged with the mission to "develop innovative management processes to provide services that exceed the needs and expectations of the public." During the course of their work, the task force collected and analyzed data, researched initiatives in other states, and conducted surveys, interviews and focus groups with state employees. This report details the results of their analysis and their recommendations on management improvement and customer service issues.

Recommendations

1 *Adopt and implement proven and tested service improvement processes that focus state agencies on meeting and exceeding customer expectations.*

Implementing service improvement processes that emphasize customer satisfaction provides a common management focus for government leaders and introduces quality principles to Missouri state government. A management process that emphasizes customer satisfaction also has broad appeal because the success of any government function, agency, service or program is measured by how well it meets customer expectations. Currently, less than half of the state's 16 departments have made significant efforts to identify their customers.

Private firms and public agencies that have adopted a customer focus offer a documented record of cost savings and performance improvement. The private sector has significant experience in implementing management processes which emphasize knowing who customers are and how to measure and meet customer expectations.

Many of the tools and techniques used in private sector customer satisfaction initiatives can be directly adopted by government and others can be adapted for difference between government and the private sector. Utilizing these already existing tools and building on the lessons already learned by private firms provide the most cost effective methods for state agencies to improve customer services. Further, the constant pressure within government to improve services at ever lower costs makes government fertile ground for these initiatives.

The task force recommends that all state agencies implement efforts to improve customer service from the customer's point of view. Departments would examine their customer service performance and implement those steps necessary to close any gaps between the current level of service and the service levels expected by their customers. This initiative would be phased in both across and within departments. A Commission on Excellence in Customer Service would be created to oversee the State's implementation efforts. Staff work would be provided by the Office of Excellence in Customer Service to provide technical assistance, advice, resources and implementation assistance to all state departments as they attempt to improve customer services.

2 *Each department should implement a non-financial, department-driven employee reward and recognition program.*

Data shows that, although financial rewards or cash gifts may be effective tools to reinforce desired behaviors, non-financial rewards may be more effective in reinforcing appropriate behavior. The implementation of a program to emphasize customer satisfaction will require new attitudes and behaviors on the part of state employees. These behaviors will be essential to the success of a customer satisfaction program and, therefore, should be recognized and rewarded. Indeed, an appropriate intrinsic reward program should be viewed as one of many possible action plans that can be implemented to reduce the gap between customer expectations and levels of satisfaction.

Each department will have unique behavioral needs of employees. Therefore, each department's intrinsic reward program must also be unique. In fact, a reward program may be designed for employees delivering a specific service. In order to ensure that the rewards are valuable and meaningful to all employees, this program must be designed and implemented by employees themselves.

After the customer satisfaction process (as outlined in the previous recommendation) has been implemented and customers have been identified and surveyed as to their needs and expectations regarding state services, the task force recommends that each department, through the use of cross-sectional employee task forces, design their own employee reward and recognition program.

Many of the tools and techniques used in private sector customer satisfaction initiatives can be directly adopted by government and others can be adapted for difference between government and the private sector. Utilizing these already existing tools and building on the lessons already learned by private firms provide the most cost effective methods for state agencies to improve customer services. Further, the constant pressure within government to improve services at ever lower costs makes government fertile ground for these initiatives.

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2 *Each department should implement a non-financial, department-driven employee reward and recognition program.*

Data shows that, although financial rewards or cash gifts may be effective tools to reinforce desired behaviors, non-financial rewards may be more effective in reinforcing appropriate behavior. The implementation of a program to emphasize customer satisfaction will require new attitudes and behaviors on the part of state employees. These behaviors will be essential to the success of a customer satisfaction program and, therefore, should be recognized and rewarded. Indeed, an appropriate intrinsic reward program should be viewed as one of many possible action plans that can be implemented to reduce the gap between customer expectations and levels of satisfaction.

Each department will have unique behavioral needs of employees. Therefore, each department's intrinsic reward program must also be unique. In fact, a reward program may be designed for employees delivering a specific service. In order to ensure that the rewards are valuable and meaningful to all employees, this program must be designed and implemented by employees themselves.

After the customer satisfaction process (as outlined in the previous recommendation) has been implemented and customers have been identified and surveyed as to their needs and expectations regarding state services, the task force recommends that each department, through the use of cross-sectional employee task forces, design their own employee reward and recognition program.

3 *Identify for the General Assembly and the Governor's Office nonfunctioning state commissions and boards that would be candidates for elimination.*

While the task force recommends the creation of a Commission on Excellence in Customer Service, it does not want to make the structure of state government more complex by increasing the number of commissions and boards that already exist. The task force, with the assistance of research personnel from the Missouri House of Representative and the Missouri Senate identified numerous commissions or boards which are nonfunctioning or whose members have not been named.

The task force recommends that the General Assembly, in concert with the Governor's Office review and identify all commissions and boards that are nonfunctioning or whose members have not been named, and reduce the total number of commissions and boards if possible. By doing so, the structure of state government will be made less complex, even with the creation of a Commission on Excellence in Customer Service.

RECOMMENDATION NO. 1

Recommendation No. 1

Adopt and implement proven and tested service improvement processes that focus state agencies on meeting and exceeding customer expectations.

Background

All state departments do not employ management processes that focus on meeting and exceeding customer expectations.

Rationale

Implementing service improvement processes that emphasize customer satisfaction provides a common management focus for government leaders and introduces quality principles to Missouri state government. A management process that emphasizes customer satisfaction also has broad appeal because the success of any government function, agency, service or program is measured by how well it meets customer (i.e., citizen) expectations. Currently, less than half of the state's 16 departments have made significant efforts to identify their customers.

Private firms and public agencies that have adopted a customer focus offer a documented record of cost savings and performance improvement. Examples are provided in tab H. Customer focused management causes firms and agencies to examine the processes they use to deliver their goods and services. In turn, greater customer satisfaction is achieved through improved and more efficient delivery systems. The constant pressure within government to improve services at ever lower costs makes government fertile ground for these initiatives.

Finally, the private sector has significant experience in implementing management processes which emphasize knowing who customers are and how to measure and meet customer expectations. Many of the tools and techniques used in private sector customer satisfaction initiatives can be directly adopted by government and others can be adapted for differences between government and the private sector. Utilizing these already existing tools and building on the lessons already learned by private firms provide the most cost effective methods for state agencies to improve customer services.

Implementation

Our task force proposes that the Governor require, through an Executive Order, that all state agencies implement efforts to improve customer service from the customer's point of view. We also propose that these improvement efforts be phased in both across and within departments and

that each department absorb the cost of internal implementation by reallocating existing resources.

We suggest an Executive Order because such an action will clearly demonstrate gubernatorial leadership and commitment to improving the way state government interacts with the citizens of Missouri. An Executive Order can also be implemented much more quickly than a statutory change. Finally, improved customer service and the continuous improvement of agency performance are clearly executive branch issues and are best addressed through action within the executive branch.

We recommend the implementation be phased in rather than implemented within all departments at one time and that individual departments phase in implementation across programs and agencies. A phased-in approach is preferred because state agencies have varying knowledge levels about quality improvement concepts, tools and techniques. For example, the Missouri Highway and Transportation Department has an established, structured quality improvement program unique to state government while other agencies are only initiating or have no plans for such an effort. Phasing-in the program also reduces costs by stretching out the time frame for necessary training and technical assistance. This approach also creates the potential for early successes to encourage replication and adoption of quality improvement processes by other programs and departments.

The process we recommend is summarized graphically in Figure 1. The key elements of our recommendation are further developed below.

Executive Order (see tab A)

The Executive Order will mandate that all state departments examine their customer service performance and implement those steps necessary to close any gaps between the current level of service and the service levels expected by their customers. The Executive Order will also establish a partnership between private and public sector quality leaders to provide leadership, continuity across administrations, and oversight of agency efforts to improve customer service.

The Order will also create the Office of Excellence in Customer Service within the Office of Administration to facilitate training and provide technical assistance to departments and agencies as they attempt to improve customer service.

Time Line (see tab B)

The time line we propose will ensure that all departments will implement within one year their efforts to improve customer satisfaction. To expedite implementation, the Governor's Office may consult with existing

organizations and companies with expertise in customer focused management processes to identify candidates for the Commission on Excellence in Customer Service and for the position of Executive Director of the Office of Excellence in Customer Service.

After naming members of the Commission on Excellence in Customer Service and the Executive Director of the Office of Excellence in Customer Service, the Governor will initially designate four agencies with a demonstrated commitment and interest in improving customer service (see tab C). Within six months of starting the process, each of these departments will have completed an assessment of customer service for at least one department program, issue or problem area. The assessment will include identifying customers, determining customer expectations, developing measures of these expectations and determining how well current services meet customer expectations (see tab D). After this six-month process has been completed, each of the four agencies will spend an additional three months developing specific action plans (see tab E) to close the gap between customer expectations and current services.

The remaining twelve departments will undertake the customer analysis in groups of four on a staggered schedule as illustrated by the time line. In this way, all departments will have begun their initial customer analysis within one year of implementation and all will have undertaken measures to improve customer satisfaction within two years. The departments that begin their customer analysis at or soon after initial implementation will have an opportunity to explore many more of their services during the two year period.

Agency Responsible

The Commission on Excellence in Customer Service (see tab F) will oversee the state's implementation efforts. For administrative and budgeting purposes, the Commission will be housed in the Office of Administration. Functionally, the Commission will report to the Governor's Office. This group will bring expertise and visibility to Missouri customer service efforts and should replace the Productivity Institute Advisory Council which has a similar mission but whose members have never been appointed.

In addition, the task force has identified twenty other state boards and commissions that are not functioning or whose members have never been appointed. The task force believes that, after appropriate review, at least some of these boards and commissions can be eliminated (see Recommendation No. 3). Thus, by replacing the Productivity Institute and Advisory Council with the Commission on Excellence in Customer Service and by eliminating other non-functioning boards and commissions, the Governor and General Assembly can move to improve the way state government interacts with the existing government structures.

The Commission will oversee an Office of Excellence in Customer Service (see tab G) within the Office of Administration. The Office of

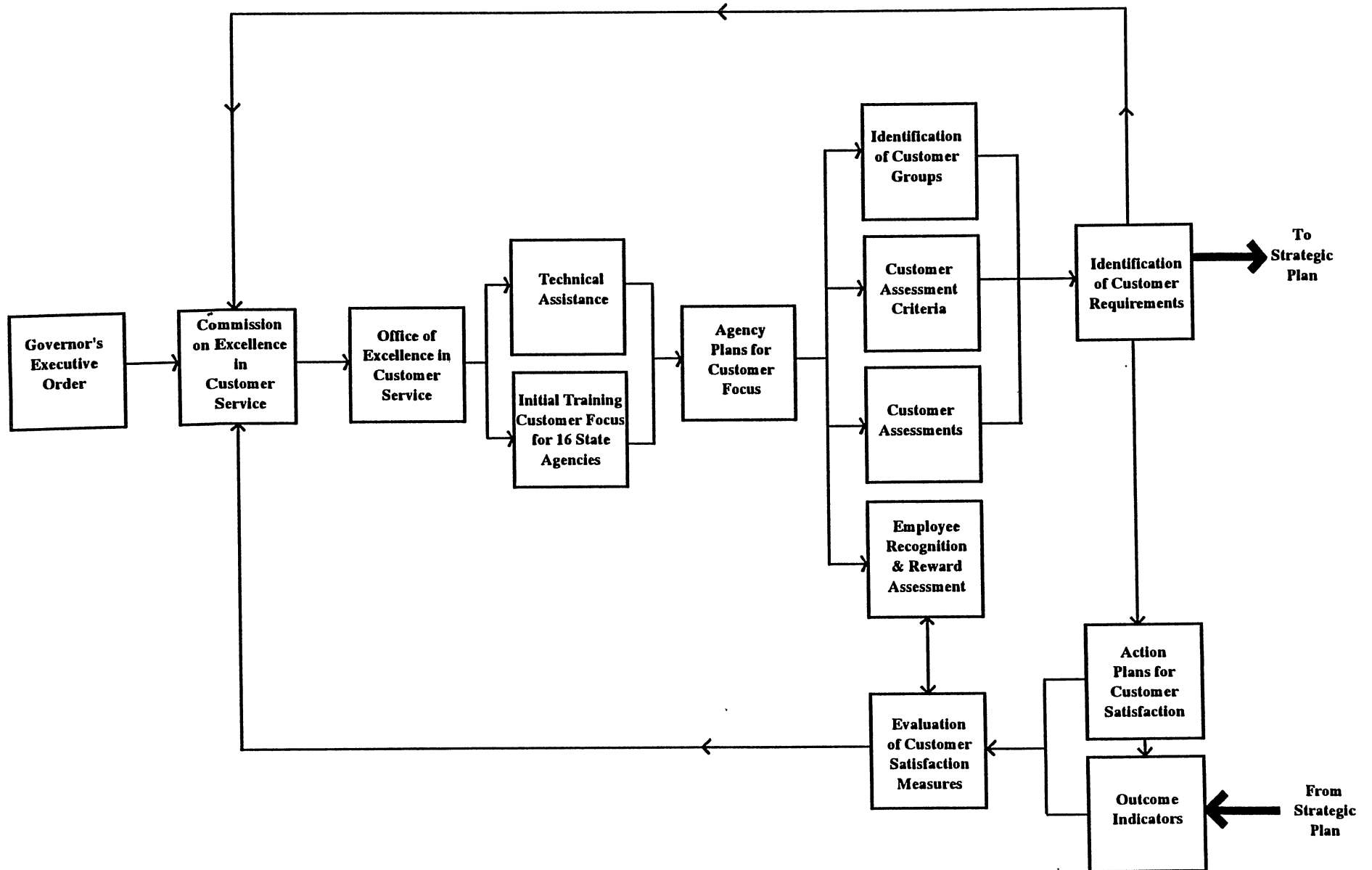
Excellence in Customer Service will provide technical assistance, advice, resources and implementation assistance to all state departments as they attempt to improve customer service.

Cost/Savings

No additional funds should be needed. We recommend existing dollars be reallocated to fund the office and to fund customer service improvement efforts within each department. To reduce initially required reallocations and to ensure necessary expertise and experience, we recommend the Executive Director of the Office of Excellence in Customer Service be a loaned executive from the private sector during the first year.

We know from external evidence that developing and implementing this process will save state funds (see tab H); however we cannot estimate savings with any precision.

Figure 1
Proposed Customer Service Model



RECOMMENDATION NO. 2

Recommendation No. 2

Each department should implement a non-financial, department-driven employee reward and recognition program.

Background

Generally, departments have not determined if current reward and recognition programs are meaningful to employees. Generally, departments do not know if their reward programs are designed to reinforce customer oriented behaviors and are, therefore, ineffective.

Rationale

This recommendation compliments Recommendation No. 1 by rewarding employees who creatively and effectively improve customer satisfaction.

Through our initial survey of state department directors and the original focus areas provided by the COMAP Steering Committee, the area of employee reward and recognition was noted to be a major deficiency.

The implementation of a program to emphasize customer satisfaction will require new attitudes and behaviors on the part of state employees. These behaviors will be essential to the success of a customer satisfaction program and, therefore, should be recognized and rewarded. Indeed, an appropriate intrinsic reward program should be viewed as one of many possible action plans that can be implemented to reduce the gap between customer expectations and levels of satisfaction.

Data shows that, although financial rewards or cash gifts may be effective tools to reinforce desired behaviors, non-financial rewards may be more effective in reinforcing appropriate behavior. Tab I includes examples of private sector intrinsic reward and recognition programs.

Implementation

Each department will have unique behavioral needs of employees. Therefore, each department's intrinsic reward program must also be unique. In fact, a reward program may be designed for employees delivering a specific service. In order to ensure that the rewards are valuable and meaningful to all employees, this program must be designed and implemented by employees themselves.

After the customer satisfaction process (as outlined in Recommendation No. 1) has been implemented and customers have been identified and surveyed as to their needs and expectations regarding state services, each department will be requested, through the use of cross-sectional employee task forces, to design their own employee reward and recognition program.

RECOMMENDATION NO. 3

Recommendation No. 3

Identify for the General Assembly and the Governor's Office nonfunctioning state commissions and boards that would be candidates for elimination.

Background

Among other things, the Management Improvement and Customer Focus Task Force's Recommendation No. 1 calls for the creation of a Commission on Excellence in Customer Service. The task force feels strongly that the Commission is a critical component of the recommendation. Efforts by the task force to identify a mechanism that would serve the same function as the Commission were unsuccessful.

However, the task force does not want to make the structure of state government more complex by increasing the number of commissions and boards that already exist. To remedy this problem, the task force, with the assistance of research personnel from the Missouri House of Representatives and the Missouri Senate, has identified 21 commissions or boards which are nonfunctioning or whose members have not been named. Of these 21 commissions and boards, the Productivity Institute Advisory Council has a mission similar to that of the Commission on Excellence in Customer Service. If the Council were eliminated, creation of the proposed Commission on Excellence in Customer Service would not result in a larger and more complex state government structure.

Implementation

The task force recommends that the General Assembly, in concert with the Governor's Office, review and identify all commissions and boards that are nonfunctioning or whose members have not been named, and reduce the total number of commissions and boards if possible. By doing so, the structure of state government will be made less complex, even with the creation of a Commission on Excellence in Customer Service.

Agency Responsible

The sponsoring members of the General Assembly can seek the assistance of the research divisions of the State House of Representatives and the Senate and the Governor's Director of Boards and Commissions to identify nonfunctioning commissions and boards.

Cost/Savings

Undetermined.

TAB A

MODEL EXECUTIVE ORDER

EXECUTIVE ORDER

WHEREAS, Missourians believe that state government could provide more service for their tax dollars by focusing on customer service and satisfaction.

WHEREAS, Missouri state government must follow the private sector shift from bureaucratic to customer-responsive management methods.

WHEREAS, no formal process exists through which state departments can identify customers, determine customer expectations, measure customer satisfaction or develop strategies for increasing customer satisfaction.

NOW, THEREFORE, I, Mel Carnahan, Governor of the State of Missouri, by virtue of the authority vested in me by the Constitution and laws of the State of Missouri:

I hereby direct that all state departments implement a customer focus initiative. This initiative will require departments to identify their customers, determine customer expectations, define customer satisfaction measurements and measure customer satisfaction. Each department will be required to develop action plans that will close the gap between customer expectations and current levels of satisfaction. These action plans and customer satisfaction measures will be an integral part of each department's strategic plan and annual budget justification.

I hereby establish a Commission on Excellence in Customer Service. The Commission will provide leadership in implementing efforts to make state government more customer focused. The Commission will garner legislative and public support of the customer focus efforts. The Commission will assure that state departments implement this customer focus initiative and follow a prescribed implementation schedule.

I hereby establish the Office of Excellence in Customer Service. This office will report to the Commission on Excellence in Customer Service and provide technical assistance to each state department in its efforts to successfully implement this customer focus initiative.

The Commission and Office on Excellence in Customer Service will be assigned to the Office of Administration as a Type II agency.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Missouri, in the City of Jefferson, on this ____ day of _____, 1994.

GOVERNOR

ATTEST:

SECRETARY OF STATE

* Identify customers/determine expectations/select measurements/determine gap

TAB C

SELECTION CRITERIA FOR INITIAL DEPARTMENTS

CRITERIA FOR SELECTING INITIAL DEPARTMENTS FOR CUSTOMER SATISFACTION PROCESS

1. The first four departments to implement customer focus efforts should be selected by the Governor and/or his selection committee from departments requesting consideration and on the basis of presentations made to the Governor and/or his selection committee by the department heads.
2. Priority should be given to departments that have the most interaction with the citizens of Missouri (the customers of state government).
3. Department presentations should include a plan for introducing the concept within the department. Preference should be given to those choosing to gradually implement these management processes, as opposed to trying to train and orient the entire agency at once.
4. Department presentations should demonstrate a long-term commitment to increasing customer satisfaction. The presentation should show the commitment of all levels of management to ensure the continuation of the program when there are top management changes.
5. Department presentations should include the factors that make probability of success very high.
6. The department should offer examples of past and current activities that illustrate sensitivity to customer satisfaction.
7. The department presentations should demonstrate a willingness and the ability to generate effective public information on its efforts to be customer focused.

TAB D

**IDENTIFYING CUSTOMERS AND THEIR EXPECTATIONS
AND MEASURING THEIR SATISFACTION WITH STATE SERVICES**

IDENTIFYING CUSTOMERS AND KEY EXPECTATIONS/REQUIREMENTS

1. Work with the Office of Excellence in Customer Service to identify internal or external technical resources with expertise in identifying customers, gathering data and facilitating teams to assist with Steps 2-4.
2. Form an internal group of eight to twelve managers and other workers (to include department head and direct reports) to identify customers. Using brainstorming or nominal group technique, develop external customer list. Include types of customers and services provided by program. (External customers are anybody who uses the services of a program.) Try to identify all the customers but do not be surprised if more are uncovered as you work through the customer satisfaction process.
3. Using either the same group as in Step 2 or customer focus groups, identify the customers expectations/requirements. Brainstorming and nominal group technique are possible tools. Develop a list of customer expectations/requirements for particular services in that program. Prioritize the list and focus on the key (no more than five in the beginning) expectations/requirements for each particular service.
4. Identify the most valid, reliable and effective method to gather satisfaction data on the service. One or more of the following may be used:
 - A. Focus groups
 - B. Mailed surveys
 - C. Telephone surveys
 - D. Interviews
 - E. Customer complaints
 - F. "Secret" or "mystery" customers
 - G. Captain's dinner
 - H. Staff meetings
 - I. Employee "special" sessions
 - J. Other techniques
5. Determine what you need to know and design the questionnaire or meeting instrument with guidance from the Office of Excellence in Customer Service.
6. Consider having a consultant or another outside agency administer data gathering. This maintains anonymity and objectivity of customer satisfaction data.
7. With guidance from the Office of Excellence in Customer Service, analyze the data and identify most significant customer satisfaction gaps. Also, identify services that meet or exceed the customer expectations/requirements.
8. Communicate findings to program employees and others.

9. Develop an action plan to address gaps and a plan to let the customers know what the department is doing to meet or exceed their expectations/requirements.

COST:

Surveys generally cost \$2,500 - \$12,000 per survey. A survey can address more than one service. We recommend that these costs be incurred as a reallocation of department resources.

TAB E

DEVELOPING ACTION PLANS

ACTION PLANS

Action plans must be developed to identify customers, determine expectations, define measurements, measure customer satisfaction, and identify procedures to close the gap between customer expectations and levels of satisfaction (see tab D).

It is recommended that departments use the model action plan format shown in Attachment 1. Initially, the task force from each department made up of the Department Head, Direct Reports, and selected employees should meet to develop the action plans associated with the first four steps. These actions should be complete within the first seven months (see tab B For time line). In addition, the department task force should initiate implementation of total quality principles and concepts on a widespread basis throughout the department. These include, but are not limited to:

****Quality Leadership*** - The department's senior leaders must become committed to create a customer orientation, clear and visible quality values, and superior expectations. These values and expectations must be reinforced continuously through substantial personal commitment and involvement. The leaders must take part in the creation of strategies, systems, and methods of achieving excellence and then allow these systems and methods to guide all activities and decisions of the department. The leaders must also commit to the growth and development of the entire work force and should encourage participation and creativity by all employees.

****Customer-Driven Quality*** - Everyone in the department must accept the notion that quality is judged by the customer. All service characteristics that contribute value to the customer and lead to customer satisfaction must be the focus for the department's management system. The department must seek to develop a relationship with customers that builds trust and confidence, be sensitive to emerging customer requirements, measure the factors that drive customer satisfaction, and respond quickly to customer needs.

****Continuous Improvement*** - Achieving the highest levels of quality requires a well-defined and well-executed approach to continuous improvement. This approach needs to be embedded in the way the department functions. This means that:

1. improvement is part of the daily work of all work units;
2. improvement processes seek to eliminate problems at their source; and
3. improvement is driven by opportunities to do better,

as well as by problems that must be corrected.

Opportunities for improvement have four major sources: employee ideas; research and development; customer input; and benchmarking or other comparative information on processes and performance. Improvements may be of several types:

1. enhancing value to the customer through new and improved services;
2. reducing errors, defects, and waste;
3. improving responsiveness;
4. improving productivity and effectiveness in the use all resources;
5. improving the department's performance and leadership in fulfilling its responsibilities to the public and serving as a role model for like organizations.

To meet these objectives, the process of continuous improvement must contain regular cycles of planning, execution, and evaluation. This requires a basis - preferably a quantitative basis - for assessing progress and for deriving information for future cycles of improvement. Such information should provide direct links between desired performance and internal operations.

****Employee Participation and Development*** - A department's success in improving performance depends increasingly on skills, motivation, and satisfaction of its work force. Employee success depends increasingly on having meaningful opportunities to learn and to practice new skills. Employees should be viewed as internal customers and departments need to seek employee satisfaction and invest in their development through education, training, and creating opportunities for continuing growth. As employees are better trained and developed, they should be afforded greater responsibility and the opportunity to be more involved in improving department operations and satisfying customers. Work organizations should be tailored to a more diverse work force and to more flexible high performance work environments.

****Management by Fact*** - A modern organizational management system needs to be built upon a framework of measurement, data, and analysis. Measurements must derive from the department's strategy and encompass all key processes and the outputs of these processes. Facts and data needed

for quality improvement and assessment are of many types and include: customer, service performance, operations, comparisons, suppliers, employee-related, and cost.

Analysis refers to the process of extracting larger meaning from data to support evaluation and decision making at various levels in the departments. Facts, data, and analysis can support a variety of purposes, such as planning, reviewing department performance, improving operations, and comparing quality performance with similar organizations and benchmarks.

***Design Quality and Prevention** - Management systems should place strong emphasis on design quality - problem and waste prevention - achieved through building quality into services and processes. In general, costs of preventing problems at the design stage are much lower than costs of correcting problems which occur during the delivery of services or operation of work processes.

***Strategic Planning** - Achieving quality requires a strong future orientation and a willingness to make long-term commitments to all stakeholders - customers, employees, suppliers, the public, and the community. Planning needs to determine or anticipate the types of changes outlined above, and plans, strategies, and resource allocation need to reflect the necessary commitments and changes.

Once results from customer satisfaction measurements are reviewed and gaps identified, the task force must prioritize those gaps to determine which should be addressed first. Once it is determined which problems are to be addressed, the task force must decide how to approach identification of solutions. One alternative is to appoint a team of employees. In other cases, solutions may be obvious and can be implemented directly by the task force. Where teams are determined to be the correct approach, the following actions should be taken:

- a. Establish employee teams of problem solvers to deal with the various issues raised as a result of customer satisfaction measurements.
- b. Provide all employees in the department customer satisfaction awareness training whether they are involved in teams or not, but begin with those affected by the program that is being analyzed (see Attachment 2).
- c. Provide small groups (**Team Problem Solvers**) of employees in the department quality process training. This training may be provided by the State Office of Excellence in Customer Service (see Attachment 2).
- d. Select a Facilitator/Trainer in each department and train to work with the **Team Problem Solvers** (see Attachment 2).

- e. Have **Team Problem Solvers** and Facilitator analyze customer requirements and determine the gaps in meeting the requirements, develop a problem statement, determine root causes of the problem, and propose and implement solutions

based on the findings. The steps for working through this are as follows:

***Identify Reason for Improvement** - The task force has identified the customers, determined customer requirements, and measured customer satisfaction. They will hand off an identified need for improvement to a team of 6-7 employees (**Team Problem Solvers**) to begin the problem solving process.

***Identify the Problem** - The problem solvers and facilitator will stratify the data using quality tools (bar and line graphs, pie charts, Pareto charts, check sheets, checklists, histograms). They will collect any additional information around the need for improvement and write a problem statement. They should create a flow chart of the current process that they are analyzing and identify areas for possible improvement.

***Perform Root Cause Analysis** - Using the brainstorming technique, the problem solvers will ask themselves, "Why?" or "What is causing the problem?" A root cause analysis tool (Ishikawa Diagram) is used in this step. Once root causes are identified, the problem solvers verify their assumptions before proceeding to solutions.

***Determine Solutions** - Potential improvements are designed by the team to reduce the root causes identified in the previous step. The improvement must be designed to improve customer satisfaction. Before implementation of the proposed solution/s, the team should communicate their findings and recommended solutions to the Department Director and his or her direct reports for buy in. Once agreement has been reached, the team proceeds to implementation. The team's action plan must be updated at this point with defined responsibilities and time lines for implementing the solutions. A tracking mechanism must be established to track the effectiveness of the solution.

***Implement Solutions** - The potential improvements will then be implemented in the department and monitored for effectiveness. The team will determine the effectiveness by how much the solution reduced the root cause and whether the target for improvement has been met. If not met, they will determine additional actions to be taken.

***Measure Customer Satisfaction** - After solutions appear to be

working, additional customer surveys will be necessary to determine the level of customer satisfaction with the new process. This step should be included in the action plan design. It may be necessary to adjust the process if results are not as good as expected. Once results are satisfactory, the team dissolves or takes on a new reason for improvement.

- f. Have the **Team Problem Solvers** develop an action plan (see model) to implement solutions and reduce the gap. This plan will include specific actions necessary to deal with the root – cause(s) of problems identified.
- g. Have **Team Problem Solvers** communicate progress to all employees in the department on a monthly basis. They will also communicate progress to the State Office of Excellence in Customer Service and the Commission on Excellence in Customer Service as required.
- h. Monitor the effectiveness of the solutions in the action plan(s). The intent is to track how well the department is doing in satisfying their customers and constantly work on improvement.
- i. Identify another problem and rework the above steps, with a continued effort to implement total quality principles throughout the department.

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GOVERNOR'S COMMISSION ON MANAGEMENT AND PRODUCTIVITY

Management Improvement and Customer Focus Task Force

"Proposed Model Action Plan"

Attach 1-Tab E

Page 2 of 4

Recommendation: No. 2 - "Determine Customer Expectations"

Step #	Task/Project Action Step	How to Accomplish Step	Person(s) Responsible to Complete the Action	Date Assigned	Target Completion Date	Actual Completion Date	Status/Remarks	Did Action Step Contribute to Recommendation's Effectiveness?

GOVERNOR'S COMMISSION ON MANAGEMENT AND PRODUCTIVITY

Management Improvement and Customer Focus Task Force

"Proposed Model Action Plan"

Attach 1-Tab E

Page 3 of 4

Recommendation: No. 3 - "Define Customer Measurements"

Step #	Task/Project Action Step	How to Accomplish Step	Person(s) Responsible to Complete the Action	Date Assigned	Target Completion Date	Actual Completion Date	Status/Remarks	Did Action Step Contribute to Recommendation's Effectiveness?

GOVERNOR'S COMMISSION ON MANAGEMENT AND PRODUCTIVITY

Management Improvement and Customer Focus Task Force

Attach 1-Tab G

Page 4 of 4

"Proposed Model Action Plan"

Recommendation: No. 4 - "Measure Customer Satisfaction"

Step #	Task/Project Action Step	How to Accomplish Step	Person(s) Responsible to Complete the Action	Date Assigned	Target Completion Date	Actual Completion Date	Status/Remarks	Did Action Step Contribute to Recommendation's Effectiveness?

TRAINING SUGGESTIONS

1. Customer Satisfaction Awareness training for all employees in the selected departments.
2. Department task force training.
3. Team member training for employees assigned to a team (two days).
4. Facilitator training. Approximately seven days which would include team member training, team leader training, training in facilitator skills and group dynamics.
5. Some training courses are available through the Office of Administration and some are available through the Department of Highways and Transportation and should be evaluated by the Office of Excellence in Customer Service to see if this material can be used or if new course material must be purchased.
6. Training material and resources can be costly and this needs to be addressed (training manuals, course content, easels, reference material, flip chart paper, markers, etc.).

The courses mentioned above are taught by organizations involved in quality improvement. Course content is an important issue that will need to be addressed if quality improvement is to be realized.

TAB F

COMMISSION ON EXCELLENCE IN CUSTOMER SERVICE

COMMISSION ON EXCELLENCE IN CUSTOMER SERVICE

I. Mission Statement

The Commission will provide leadership in implementing efforts to make state government more customer focused. The Commission will garner legislative and public support of the customer focus efforts. The Commission will assure that state departments implement the customer satisfaction recommendations of the Management Improvement and Customer Focus Task Force, which is part of the Governor's Commission on Management and Productivity (COMAP), and follow the proscribed implementation schedule and plan for every program in each department. The Commission will evaluate the validity and reliability of the customer satisfaction efforts

The Commission will choose the Executive Director of the Office of Excellence in Customer Service.

II. Membership

The commission will consist of ten members:

- * Chairman - Governor of Missouri
- * The Executive Director of the Missouri Office of Excellence in Customer Service
- * The Director of the Excellence in Missouri Foundation **

The following commission members are to be appointed by the Governor.

- * Two individuals from industry with outside government experience in customer service and total quality management.
- * Two state agency representatives who are in a leadership position involving their agency in customer focus and quality management programs.
- * One Academic/Consultant who is experienced and knowledgeable about customer focus and quality improvement methods. Experience in the technical evaluation and measurement of customer satisfaction efforts is necessary.
- * A member of the Missouri State House of Representatives.
- * A member of the Missouri State Senate.

- ** The Excellence in Missouri Foundation is a not-for-profit education organization established to educate Missourians about quality, foster pursuit of quality in all aspects of Missouri life and recognize excellence in quality leadership. The Foundation's main activity is to administer the Missouri Quality Award as specified in Executive Order 92-15. It is recognized as the premier quality organization in the state. The Excellence in Missouri Foundation does not engage in consulting services and, therefore, does not present a potential conflict of interest because it will not compete for quality training contracts with state agencies.

(cont.) The Director of the Excellence in Missouri Foundation possesses complete knowledge of total quality principles and is one of the State's leading quality experts. This individual will provide the Commission necessary expertise on a continual basis and insure that requisite knowledge is always available.

III. Terms of Commission

The Governor, the Director of the Missouri Office of Excellence in Customer Service and the Executive Director of the Excellence in Missouri Foundation shall serve as long as they hold these positions. Any replacements in these positions shall automatically become members of the Commission.

The term of office for the two representatives from outside industry shall be for four years, however, in order to create a staggering of terms, initially one member shall be appointed for two years and the other member for four years. After the one two year term expires, all terms for these outside representatives shall be for four years.

The two state agency representatives shall serve for two years. In order to create a staggering of these representatives' terms, initially one representative shall serve for only one year while the other shall serve for two years. After the one year term expires subsequent appointments shall be for two year terms.

The Academic/Consultant shall be appointed for a three year term.

The members from the Missouri State House of Representatives and Senate shall be appointed for two years, unless the members' term in the General Assembly are completed before their two-year appointment expires.

Members shall serve until replaced.

IV. Compensation

The commission members shall serve without compensation but shall be entitled to reimbursement for actual and necessary expenses incurred in the performance of their activities.

V. Meetings

The commission shall hold meetings whenever called into session by the chairman. The commission will meet a minimum of four times each year.

VI. Commission Proceedings

The commission may make such rules and order for the regulation of its own proceedings as it deems proper.

TAB G

OFFICE OF EXCELLENCE IN CUSTOMER SERVICE

OFFICE OF EXCELLENCE IN CUSTOMER SERVICE

The Office of Excellence in Customer Service reports to the Commission on Excellence in Customer Service for policy development and programmatic oversight and to the Office of Administration for administrative functions.

I. Mission Statement

To facilitate an environment where inspired, innovative and empowered employees focus on the primary task of satisfying the customer's requirements and expectations.

II. Goals

Assist government in becoming less bureaucratic and more responsive to the people they serve.

Allow customers better and easier access to government services and information through more effective interaction with the agencies which provide those services.

Facilitate public/private partnerships in the state's quality improvement process.

Facilitate agencies in closing the identified gaps between their customer's expectations and what the agencies currently provide, using quality techniques.

III. Duties of the Office

Plan and conduct a retreat of top executives from state agencies and private sector to review successful initiatives in the area of customer service and quality improvement.

Develop a model for state agencies which illustrates the steps and time frames necessary for agencies to implement customer-focused initiatives.

Assist state agencies in the identification of their customers and the development of customer satisfaction measurements.

Assist state agencies in the utilization of problem-solving tools and techniques.

Assist state agencies in identifying necessary technical expertise for the successful implementation of customer service initiatives.

Provide coordination between state agencies' training needs and the training resources available through the Office of Administration.

Establish a network of state agencies that are experienced in customer service and quality improvement, to serve as a resource to other agencies involved in cultural change.

Maintain a compendium of resources (i.e., research texts, literature, consultants, etc.) available to state agencies to assist them in the successful implementation of customer service and quality processes.

Monitor and report progress to the Commission on Excellence in Customer Service on the implementation of customer service initiatives.

Provide staff support to the Commission on Excellence in Customer Service.

IV. Staffing Requirements

Executive Director (Loaned Executive)

This individual will be on loan from private industry for a period of one year. This individual should be an executive with practical experience in leading Quality Improvement Processes. (Job description contained in tab J)

Deputy Director

This position will exist for only the initial year that the Loaned Executive is in place. It is assumed that the Deputy Director will then replace the Loaned Executive as Executive Director. (Job description contained in tab J)

Administrative Assistant

This individual shall provide staff support to both the Executive Director and the Deputy Director. This individual shall also provide staff support to the Commission on Excellence in Customer Service.

V. Costs

The costs of this Office of Excellence in Customer Service will be approximately \$150,000 annually. We recommend that existing state resources be redirected for this purpose. Attachment 1 shows a breakdown of these costs.

**Office of Excellence in Customer Service
Budget Year 1**

Salaries

Executive Director	\$ 0	
Deputy Director	\$50,000	—
Administrative Assistant	<u>\$25,000</u>	
Subtotal	\$75,000	

Benefits

Calculated as 30% of salary	<u>\$22,500</u>
Total Personnel Costs	\$97,500

Expense and Equipment

Travel & Vehicle	\$12,428
Office Expense	\$ 1,080
Office and Communications Purchase *	\$ 8,528
Communications Expense	\$ 3,600
Institutional & Physical Plant Expense	\$ 6,900
Data Processing Expense & Equipment **	\$15,230
Professional Services	<u>\$ 3,000</u>
Total Expenses	\$50,766
Total Office Costs	\$148,266

* All of this amount is a one-time expense.

** \$14,150 of this amount is a one-time expense.

**Office of Excellence in Customer Service
Budget Year 2**

Salaries

Executive Director	\$60,000
Administrative Assistant	<u>\$26,000</u>
Subtotal	\$86,000

Benefits

Calculated as 30% of salary	<u>\$25,800</u>
Total Personnel Costs	\$111,800

Expense and Equipment

Travel & Vehicle	\$12,428
Office Expense	\$ 1,080
Communications Expense	\$ 3,600
Institutional & Physical Plant Expense	\$ 6,900
Data Processing Expense & Equipment	\$ 1,080
Professional Services	<u>\$11,378</u>
Total Expenses	\$36,466
Total Office Costs	\$148,266

One-time costs from year one are retained to pay increased salary and provide funds for student intern or temporary consulting help.

**Office of Excellence in Customer Satisfaction
Expense and Equipment Description**

Travel & Vehicle

Travel reimbursement (meals, milage, and lodging) for travel to and from training of agencies.

Office Expense

General office supplies.

Office and Communications Expense Purchase

Desks, desk chairs, side chairs, file cabinets, bookcases, calculators, telephones and wiring, transcribers, dictaphone, and voice data wiring.

Communications Expense

Postage and telephone expense.

Institutional and Physical Plant Expense

Rent (600 square feet @ \$11.50 per foot).

Data Processing Expense and Equipment

Personal computers, laser printer, and monthly OA Data Center charges.

Professional Services

Professional training, consulting, and intern help.

**INCREASED EFFICIENCY:
THE EXPERIENCE OF OTHERS**

CUSTOMER SERVICE INITIATIVES IN SELECTED STATES

STATES	COMMISSIONS	1st DIRECTOR	MANDATED	INITIAL SCOPE	RESOURCES	OFFICE	LEGISLATION	TRAINING	EXAMPLES OF COST IMPROVE.	EXAMPLES OF EFFICIENCY IMPROVE.
Arkansas	Government Quality Management Board (4 Private Sector, 1 Representative, 1 Senator, 1 State Employees Association member)	Loaned Executive	Executive Order	6 Agencies	Reallocated funds for first year	2 Salaried positions	Established the board & training funding	Centralized	Dept.. of Human Services: Eliminate 20,000 pieces of paper annually to save over \$30,000 per year including 40% of a personnel specialist man-year.	Revenue Drivers Services: Streamlining in file room increased production by 20%; eliminated or reduced phone calls by 85% from taxpayers wanting to know why their driver license was cancelled; plus many other improvements.
Arizona	16 Member Business & Comm Members	Consultant	Strong Governor's Support	13 Agencies	\$2.5 MILLION	No	Yes, \$2.5 Million	Centralized	Dept.. of Revenue increased revenues, with no tax increases, by \$6,084,000 in FY 93 through improved revenue collection methods.	The Motor Vehicle Div. has reduced the process time of drivers license delivery from an average of 21 days to five days.
California	No apparent	Consultant	Governor's endorsement	12 areas	No external support	Yes	None	Centralized		
Colorado	Network for some programs	3 Loaned Exec.	Executive Order	Agencies act independently	No external support	No	None	Decentralized	Since 1988, 371 recommendations have been implemented savings of over \$188 million.	
Connecticut	Private, public, & academic	2 Coordinators	No	Depts of OPM & DAS	No external support	No formal one	None	Unknown		
Florida	Yes, top state management	Loaned Exec.	No	4 Agencies	No external support	Yes, 2	None	Unknown		
Iowa	Partnership with Iowa Quality Coalition (Local private & public businesses)	2 primary + many others	Unknown	5 Agencies	Existing resource + Private resources.	Yes	Unknown	Unknown		
Kansas	Yes, Kansas Quality Management Council - 8 members, all public	Retiree	Executive Order	5 Agencies	At first no new resources, now resources are appropriated	Yes	Yes for transition	Train Trainers		
Maryland	Yes, all participating agencies	1 consultant per agency.	Executive Order	Parts of a few	At first no new resources, now resources are appropriated	Unknown	Unknown	Unknown		
Maine	50-70 agencies (included all branches of government)	Consultant/Retiree	All branches 1992	All of government began at once	MIT gave much support	2 full time staff + a consultant	Yes, now	Central Curriculum	Maine is preparing for problem solving. Up until now, they have been training and getting their infra-structure in place.	

STATES	COMMISSIONS	1st DIRECTOR	MANDATED	INITIAL SCOPE	RESOURCES	OFFICE	LEGISLATION	TRAINING	EXAMPLES OF COST IMPROVE.	EXAMPLES OF EFFICIENCY IMPROVE.
Michigan	Grass roots support + steering committee	Hired consultants as needed	Mandate in motion	6 programs with significant problems	Each department is responsible	Governor's advisor	Unknown	Unknown	Community Development Block Grants (C.D.B.G.) application process took 180 days. Through internal process response times improvements, the timeline is now 80 days.	
Minnesota	Unknown	Occasional Consultants were hired	No	Parts of 20 agencies	No budget	No	Unknown	Unknown		
New York	Steering Committee - all public	6 loaned executives	Directive	6 Agencies, at least one with significant problems	No external support	Yes, 2 staff	Unknown	Central coordination	The Office of Mental Retardation & Developmental Disabilities made improvements to meet the needs of 3,800 additional people but the average cost per person served has dropped from about \$65,000 to \$45,000.	Dept. of Motor Vehicles reduced turnaround time for issuing vehicle & boat licenses for 90 days to 14. Also, created new automated system for driver's license replacement on the spot.
Ohio	State Steering Committee	Xerox loaned executives	Directive	7 Agencies	No external support at first	Office of Quality Services - funded	At first none, in 1993 legislature allocated funds to establish the Ohio Office of Quality Services.	Centralized	To date, Ohio has been building infrastructure through training, etc., and they are re now ready for problem solving.	
South Carolina	Network began with 8 now have 28	Hired Director	None	Some began on own	At first, no external appropriation but now annually	HRS staff Network	Yes, 700,00 annual	Central Curriculum	Dept. of Social Services saved nearly \$400,000 annually in postage and production of agency manuals	
Texas	No	Consultant	No	3 Agencies	No external support	No	No	Centralized		
Wisconsin	Cabinet level Steering Committee	Unknown	Governor's endorsement	5 Agencies and 6 projects	Unknown	Office within Dept. of Employees Relations	Governor submitted language in budget bill to require state managers to participate	Train the trainers	"Wastepaper Recycling" Project: 1,004 tons of paper to recycling process + 100,400 ga. of gas saved; \$12,550 from sale of wastepaper, 50,000 cubic feet of landfill space being saved; about 17,065 trees saved.	"Prompt-Payment" project: Redesigning work process which reduced duplicate handling by 20%. "Quick Refund" plan for individual taxpayers which reduced turn around time from an average 6 - 8 weeks to 2 weeks.

**PRIVATE SECTOR QUALITY IMPROVEMENT
EFFORTS & CORRESPONDING COST
SAVINGS/PRODUCTIVITY GAINS**

Private Sector Companies	Quality Improvements & Cost Savings/Productivity Gains
Bethlehem Steel	Production costs are down 24% while sales per employee are up 70%.
Cadillac	Have increased manufacturer warranty from 1 year/12,000 miles to 5 years/50,000
Caterpillar Tractor	Production costs are down 20%
Federal Express	The 1990 Malcolm Baldrige Award winners have seen quality teams in the Personnel Division alone save over \$27 million.
Folger Coffee Co.	The Kansas City-based company which received the 1993 Missouri Quality Award, was able to reduce defects per hundred units by 83%, improve perfect orders to customers by 40% and decrease manufacturing expense by 13% in one year.
General Motors	Annual savings of \$10 billion.
Texas Instruments	The 1992 Malcolm Baldrige Award winner has reduced cycle time 21% and realized a 56% reduction in stock to production time.
3M	Reduced costs associated with poor quality by 35%.
Union Electric	150 team solutions in five years resulted in \$6.8 million in savings.
Wainright Industries, Inc. (a St. Louis-based company)	Has realized a 35% increase in gross margin and a 9-fold decrease in workers comp. over the past 3 years. One customer has received over 20,000,000 parts during this period without one defect. Wainright was also a 1993 Missouri Quality Award winner.
Xerox	Production has doubled and the market share has been recovered from the Japanese. Sales per employee are up 60%.

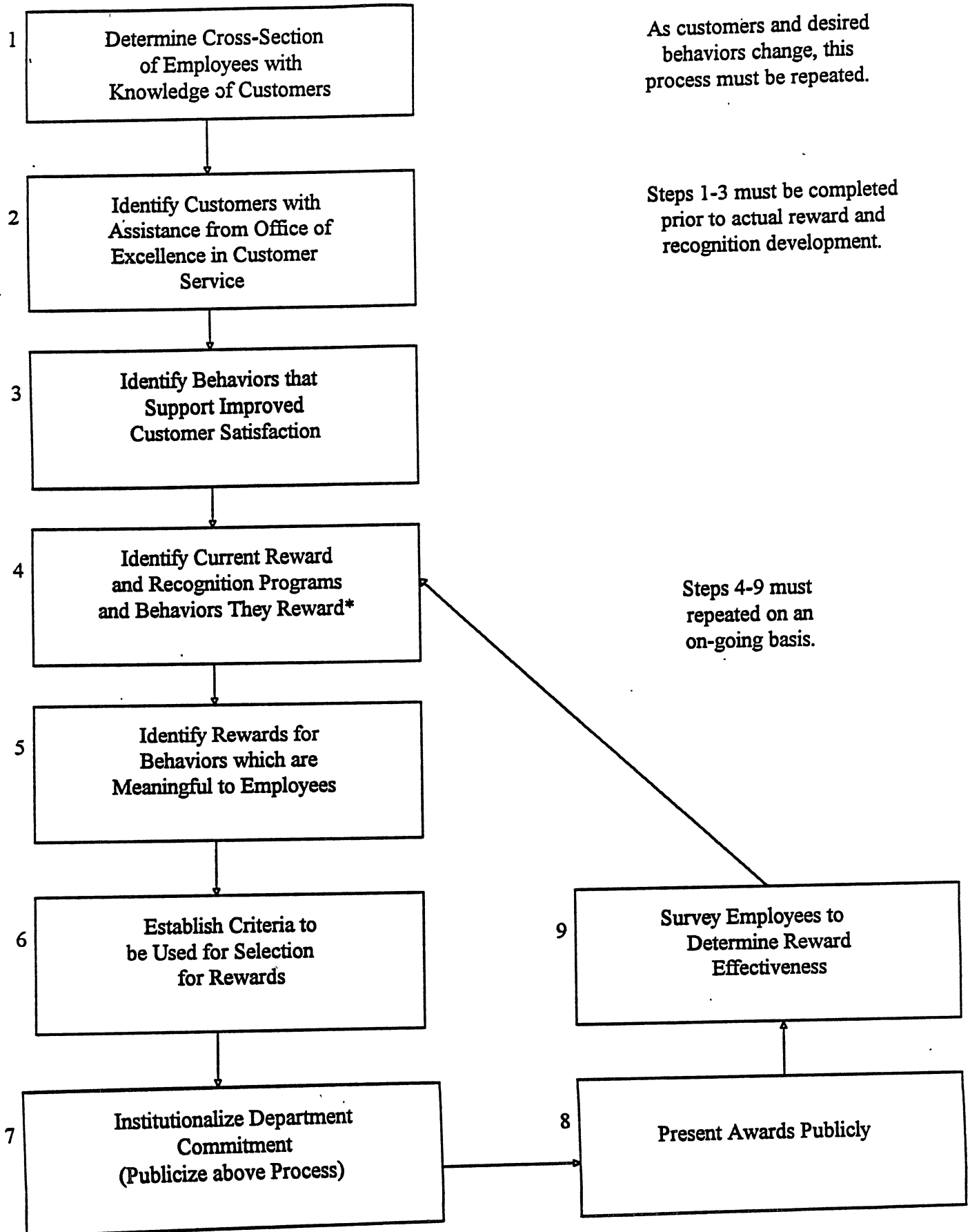
DEVELOPING EFFECTIVE REWARD/RECOGNITION PROGRAMS

DEPARTMENTAL REWARD AND RECOGNITION IDENTIFICATION PROCESS

INDIVIDUAL STEP EXPLANATION

1. Select a small group (10 or less) of employees that represent all (or many) staff levels. These employees should have contact with departmental customers both internally and externally. The ability of these employees to assist with customer identification is imperative.
2. Through assistance from the Office of Excellence in Customer Service, these groups should identify all internal and external customers, determine their needs, measure current performance, and design a plan to close the gap.
3. Using the results from the customer surveys, determine the behaviors that must occur in order to increase customer satisfaction.
4. Using a process such as the one outlined on page 48, identify current reward, recognition, and benefit programs sponsored by the department. This identification includes listing the behaviors that each program rewards as well as who the owner (division or section) of the program is. Determine if these programs reward the behaviors listed in Step 3. Evaluate the future usefulness of these programs based upon the behavior they are rewarding.
5. With these behaviors in mind, identify rewards for these behaviors that are meaningful to all employees. Consideration must be given to the value of the behavior. The reward must not be more valuable (or considerably less valuable) than the desired behavior.
6. Establish selection criteria for receiving rewards. Whenever possible, identify employee work groups so as to reward teams as opposed to just the employee that has direct customer contact.
7. Publicize the process. Let employees know the commitment of the department by institutionalizing the process. Publication of the rewards and selection criteria in employee handbooks would be beneficial.
8. Awards should be presented publicly. Award dinners or public presentations are best. Department Directors should present awards whenever possible.
9. Employees should be periodically surveyed to determine satisfaction with process and rewards and changes should be made if survey results warrant.

DEPARTMENTAL REWARD AND RECOGNITION IDENTIFICATION PROCESS



* See attached matrices.

EXISTING REWARDS AND RECOGNITION PROGRAMS

Reward: Acknowledgement given to a person following a correct or desired response that increases repeat behavior

Recognition: Special notice or attention

Benefit: Payments made by an employer as during sickness, retirement, unemployment, etc.

INDIRECT FINANCIAL - cost to department, generally no monetary gain to the employee

[illegible]

* INDICATES THAT THESE PROGRAMS MEET THE DEFINITION OF BOTH REWARD OR RECOGNITION AND BENEFIT

DIRECT FINANCIAL - money in pocket, reimbursement, monetary gain to the employee

PROGRAM	OWNER	REW / REC / BEN	BEHAVIOR PROGRAM IS REINFORCING	

* INDICATES THAT THESE PROGRAMS MEET THE DEFINITION OF BOTH REWARD OR RECOGNITION AND BENEFIT

49

IDENTIFICATION - who you are, where you work, company and location in relation to department, what you do

PROGRAM	OWNER	REW / REC / BEN	BEHAVIOR PROGRAM IS REINFORCING	

* INDICATES THAT THESE PROGRAMS MEET THE DEFINITION OF BOTH REWARD OR RECOGNITION AND BENEFIT

JOB CONTENT - performance feedback, organizational understanding, sharing information, feedback, pat on the back				
PROGRAM	OWNER	REW / REC / BEN	BEHAVIOR PROGRAM IS REINFORCING	

50

* INDICATES THAT THESE PROGRAMS MEET THE DEFINITION OF BOTH REWARD OR RECOGNITION AND BENEFIT

CAREER - opportunity for skilled development and training to advance at MHTD				
PROGRAM	OWNER	REW / REC / BEN	BEHAVIOR PROGRAM IS REINFORCING	

* INDICATES THAT THESE PROGRAMS MEET THE DEFINITION OF BOTH REWARD OR RECOGNITION AND BENEFIT

EXISTING MHTD REWARDS AND RECOGNITION PROGRAMS

Reward: Acknowledgement given to a person following a correct or desired response that increases repeat behavior

Recognition: Special notice or attention

Benefit: Payments made by an employer as during sickness, retirement, unemployment, etc.

INDIRECT FINANCIAL - cost to department, generally no monetary gain to the employee

51

PROGRAM	OWNER	REW / REC / BEN	BEHAVIOR PROGRAM IS REINFORCING	
Employee of the month	Public Affairs (State Program)	REW / REC	performs job duties being enthusiastic about your work having positive attitude involved in community activities willingness to help others	
Retirement celebration	Divisions planning	REW / REC	serving the organization	
Service awards	HR	REW / REC	serving the organization	
Safety awards	Risk Management	REW / REC	performing work safely with no lost time accident performing life saving actions (meritorious)	
Employee suggestion system	Construction	REW / REC	taking initiative being creative seeking continual improvement	
Plaques for TF/QC	Team Leaders	REW / REC	participating in TF/QC team working as a team	
Century Club ceremony	Public Affairs	REW / REC	contributing \$100 or more to charitable campaign	
Starfish pins	Karen Keeney	REW / REC		
MAS luncheon at convention	M&T	REW / REC	performing work safely with no lost time accidents in area for the year	
Lunch/dinner to recognize NICET certification	Construction (NICET Team)	REW / REC	obtaining NICET certification	
District/department achievement award	All Dist/Div	REW / REC	performing an outstanding service achievement award or act (above and beyond)	

* INDICATES THAT THESE PROGRAMS MEET THE DEFINITION OF BOTH REWARD OR RECOGNITION AND BENEFIT

DIRECT FINANCIAL - money in pocket, reimbursement, monetary gain to the employee				
PROGRAM	OWNER	REW / REC / BEN	BEHAVIOR PROGRAM IS REINFORCING	
Pay	HR	*REW / BEN	comes to work and performs job duties	
Promotion	HR	*REW / REC	performing at a better than satisfactory level being the best qualified having knowledge and skills of job demonstrating the ability to handle more responsibility staying with the department knowing the right people	
Moving Expenses	HR	BEN		
Educational reimbursement	HR		working to better oneself continuing education taking initiative	
Lincence renewal	HR	*REC / BEN	wanting to keep license current	

* INDICATES THAT THESE PROGRAMS MEET THE DEFINITION OF BOTH REWARD OR RECOGNITION AND BENEFIT

IDENTIFICATION - who you are, where you work, company and location in relation to department, what you do				
PROGRAM	OWNER	REW / REC / BEN	BEHAVIOR PROGRAM IS REINFORCING	
Designated parking space	District 6	REW / REC	riding in a carpool	
Recognition through photos, articles, etc.	Public Affairs	REW / REC	performing an outstanding service or act	
New employee biography and photo	HR	REW / REC	being a new MHTD employee	
Photo display of all District 3 employees	District 3	REW / REC	being a new employee in district 3	

* INDICATES THAT THESE PROGRAMS MEET THE DEFINITION OF BOTH REWARD OR RECOGNITION AND BENEFIT

JOB CONTENT - performance feedback, organizational understanding, sharing information, feedback, pat on the back				
PROGRAM	OWNER	REW / REC / BEN	BEHAVIOR PROGRAM IS REINFORCING	
Performance appraisal (positive)	HR (PERFORMANCE APPRAISAL TEAM)	REC	performing job duties satisfactorily handling responsibilities satisfactorily being dependable setting a good example	
Thank you cards and gifts	Anyone who gives	REW / REC	performing a job well helping others performing above and beyond the call of duty	
Coffee with Wayne	Wayne	REC	being a new employee in the main office	
Being asked to serve on a task force	Management teams	REW / REC	having knowledge of the subject having knowledge of QI being willing to be a team player showing ability to handle many responsibilities being open-minded	
Luncheons for interns	Those planning	REC	being an intern	
New employee orientation	HR	REC	being a new employee	
Graduate engineer orientation	HR		being a new graduate engineer employee	

* INDICATES THAT THESE PROGRAMS MEET THE DEFINITION OF BOTH REWARD OR RECOGNITION AND BENEFIT

CAREER - opportunity for skilled development and training to advance at MHTD				
PROGRAM	OWNER	REW / REC / BEN	BEHAVIOR PROGRAM IS REINFORCING	
Training	HR	*REW / REC / BEN	working in a specific position having initiative having willingness to improve your work and self	
Educational leave	HR		taking initiative wanting to continue education willingness to improve	

* INDICATES THAT THESE PROGRAMS MEET THE DEFINITION OF BOTH REWARD OR RECOGNITION AND BENEFIT

UNION ELECTRIC
QUALITY IMPROVEMENT PROCESS
EMPLOYEE RECOGNITION PROGRAM
(ATTACHMENT INDEX)

1. Employee Recognition Program Flowchart
2. Employee Recognition Program Summary
- Corporate and Regional West (function) perspective
3. QIP Team Activities at Union Electric
4. QIP Recognition Guidelines - 1987
5. Regional West Employee Recognition Program Outline
6. Regional West QIP Recognition Checksheet
7. Regional West "Suggested Media Form For QIP Recognition"
8. Regional West "Certificate of Recognition"
9. Regional West "Wall-of-Fame" Guidelines
10. Sample "Wall-of-Fame" picture
11. Regional West "Guidelines for Quick Success Items"
12. Regional West "QIP Quick Success List" - item submission form
13. Replication Flowchart

*** ALSO SEE EXAMPLES OF CORPORATE RECOGNITION ITEMS:

- Facilitator-Instructor Certificate
- Team Leader-Instructor Certificate
- Team Leader Training Certificate
- Team Member Training Certificate
- QIP Coffee Mug
- Lapel Pin

QUALITY IMPROVEMENT PROCESS EMPLOYEE RECOGNITION PROGRAM

1986

QUALITY COUNCIL FORMED
MANAGEMENT ORIENTATION
HANDBOOK ISSUED (i.d.'s
many of the non-financial
recognition items)

* QIP TRAINING BEGINS/1ST
TEAMS FORMED

1987

* RECOGNITION GUIDELINES ISSUED:

- Two Types-Recognition
 1. Corporate
 2. Function

* CORP. RECOGNITION ITEMS:

- Team Member Training Certificate (2 days)
- QIP Lapel Pins (for all QIP trainees)
- Team Leader Training Certificate (5 days)
- QIP Coffee Mug (for Team Leader trainees)
- Leadership For Managers Training Certificate (2 days)
- Facilitator Training Certificate (5 days)
- President's Award (to recognize outstanding QIP teams)

* FUNC. RECOGNITION ITEMS:

- A. Demo. Mgmt. Interest:
- Attend occ. meetings
 - Attend mgmt. pres.
 - Support Team Leaders
 - Set Team Goals

Recognize Teams For:

- Use of Process
- Uniqueness/solution
- Meetings held
- Organ. of presentation
- # of sol. accepted/yr.
- # of mgmt. pres./yr.

- B. Publicity:
- Team Progress Charts
 - Co. Media(press,video)

- C. Resources:
- \$20 per trained team member annually

FORMED REGIONAL WEST
RECOGNITION TASK TEAM TO
DEVELOP FUNCTION PROGRAM

1988

* INITIAL REGIONAL WEST RECOGNITION PROGRAM: (sample function program)

Multi-Step/Multi-Item:

1. Employee Assigned to Team
 - a. Manager Letter
 - b. Tell Employee Gathering
 - c. Company Media
2. Team Management Present.
 - a. V.P. Letter
 - b. Annual Breakfast/Lunch
 - c. Framed Certificate
 - d. Company Media
3. Team Completes Tracking
 - a. Sr. V.P. Letter
 - b. Company Media
 - c. "Wall-of-Fame" Photo
 - d. Annual Gift-Catalogue

DEVELOPED & IMPLEMENTED "QUICK SUCCESS ITEMS" (many functions used) Regional West Guide:

1. Item affects immediate work area.
2. Local supervision can approve.
3. Devel. solution in 2-3 team meetings
4. Use proper Form.
5. Perform Economic Analysis/Tracking.

1989

Modified Step #3 of
Regional West Recog.
Prog. to give depts.
the option of a \$25
Wal-Mart (or other
local retail vendor)
gift cert. vs. using
gift catalogue

DEVELOPED & IMPLEMENTED CO-WIDE SOLUTION REPLICATION PROGRAM

Solutions are implemented
in multiple departments.
Function team solutions
could be sent elsewhere in
the Company for replication.
This prevents
"re-inventing the wheel"
at each work location.
Other employees recognize
& use others' ideas.

1990 to PRESENT

Regional West 1988 Program
modified to eliminate Step
#2 Recognition. Changed
emphasis to teams' completion
of tracking solutions'
effectiveness and not just
making management
presentations. Changed
program as follows:

1. Employee Assigned to Team
 - a. Manager Letter
 - b. Tell Employee Gathering
 - c. Company Media
2. Team Completes Tracking
 - a. Sr. V.P. Letter
 - b. Company Media
 - c. "Wall-of-Fame" Photo
 - d. Annual Wal-Mart Gift Certificate (\$20)
 - e. Annual Breakfast/Lunch

DEVELOPED AND IMPLEMENTED A CORPORATE-WIDE PERFORMANCE INCENTIVE PLAN:

Employees can earn an annual bonus, up to 2.1% of normal earnings/base salary, depending on achievement of 7 major corporate goals. Reduced number of goals to six in 1990.

DEVELOPED AND IMPLEMENTED A CORPORATE-WIDE RECOGNITION PLAN FOR GOOD ATTENDANCE:

There are prize drawings for perfect and good attendance (24 hours or less Sick Leave used annually). The prize awards were changed to cash-only awards in 1991.

Union Electric

Quality Improvement Process

Employee Recognition Program

- 1986** - Management Orientation Handbook on QIP stated a key corporate goal is to "Improve the job satisfaction, capabilities, effectiveness, and recognition of our employees." This same handbook featured a section on Recognition which included some of the following statements:
- New behaviors and practices will not endure without positive reinforcement.
 - Each department must determine the recognition mechanism needed to internalize, on a lasting basis, new behaviors resulting from participation to bring about quality improvement.
 - Individuals or teams who exhibit exemplary efforts on quality improvement projects should be visibly recognized for their contributions. The recognition process demonstrates that quality improvement efforts are encouraged.
 - The personal satisfaction that comes from participation in the process itself and the knowledge that through participation we can make constructive changes in the work environment are examples of recognition that QIP encourages.
 - Effective forms of recognition increase esteem among peers and co-workers and are of lasting value. Some examples of recognition include:
 - A sincere "thank you"
 - A word of praise; routinely catching people doing something right and letting them know
 - A word of encouragement as a manager or supervisor visits his work area
 - Planned visible feedback sessions such as a recognition meeting, luncheon, or dinner
 - Recognition mementos
- 1987** - Regional West (specific functional area) formed a task team made up of district managers to develop a recognition program that incorporated both the non-financial aspects mentioned above with some financial elements. They developed a multi-step recognition program where various items are given to team members at various milestones throughout a seven-step problem solving process. The program emphasizes employee recognition as opposed to rewards.
- 1988** - The program, as initially approved, was built around a corporate guideline of \$20 per "trained" employee per year. In other words, for each employee who volunteered to serve as a QIP team member, and who attended the two day Team Member Training, a function could budget \$20 annually to create funds for recognition items. The Steps and the Items of the initial Regional West QIP Recognition Program are shown on the next page.

STEP #1 - RECOGNITION WHEN AN EMPLOYEE IS ASSIGNED TO A TEAM:

- Item A - Department Manager letter of recognition sent to each employee.
- Item B - Recognition during employee gathering.
- Item C - Recognition to be placed in Company media (function quarterly newsletter etc.)

STEP #2 - RECOGNITION WHEN TEAM COMPLETES FORMAL MANAGEMENT PRESENTATION:

- (Team presents a solution to management for implementation approval)
- Item A - Function Vice President letter of recognition sent to each employee.
- Item B - Annual breakfast or lunch for team members.
- Item C - Individual framed certificate for each member presented during employee meeting.
- Item D - Recognition to be placed in Company media (function & corporate newsletters).

STEP #3 - RECOGNITION WHEN TEAM COMPLETES 7TH STEP OF PROBLEM SOLVING PROCESS:

- (Team has completed tracking of a solution's implementation and proven its effectiveness)
- Item A - Senior Vice President letter of recognition sent to each member.
- Item B - Recognition to be placed in Company media (function & corporate).
- Item C - Regional and Department "Wall of Fame" photograph.
- Item D - Annual gift selection from catalogue for each team member.

Template letters were developed to aid the authors of the three letters. Two full-time function facilitators helped administer this program by developing a "Media Form For QIP Recognition" and writing the news articles from the completed forms provided by the teams' departments. The facilitators also procured the individual certificates, had individual team members' names printed on them, and ordered and stocked plastic picture frames for the certificates and photographs. Using Company-owned cameras, the facilitators took team pictures, wrote solution synopses and had the prints made for the "Walls of Fame".

1989 - Gave departments the option of replacing Step #3, Item D - Gift Catalogue with a \$25 gift certificate from a local Wal-Mart store or other local retail vendor.

1990 - Modified program to give items only when members first join a team or after solution tracking is completed. Items A - D remained the same for Step #3 Recognition with provisions for an annual breakfast or lunch and individual framed certificates being added to this step.

Other Forms of Recognition:

- * **Quick Success or Quick Fix Items** (see attachment) - used to get quick approval and implementation of solutions to problems of less magnitude. These problems could have been long-standing or particularly annoying to the workforce.
- * **Replication Process** (see attachment) - Solutions implemented in multiple departments. Prevents "re-inventing the wheel"; other employees recognize, and use, another department's idea.
- * **1988 - Performance Incentive Plan** - Employees can earn an annual bonus, up to 2.1% of their base salary, depending on achievement of 6 major corporate goals.
- * **1988 - Recognition Plan for Good Attendance** - prize drawings for perfect and good attendance (24 hours or less sick leave used annually). Converted to cash only awards in 1991.

QIP TEAM ACTIVITIES AT UNION ELECTRIC

QIP Milestones at Union Electric:

- * March, 1986 = Quality Council Formed
- * July, 1986 = QIP Training Begins
- * October, 1986 = First Problem-Solving Teams Formed
- * January, 1987 = First *Regional West* Teams Formed
- * January, 1988 = 100th Team Formed
- * January, 1989 = 200th Team Formed
- * October, 1989 = 300th Team Formed
- * August, 1990 = 396 Teams Company-wide (2,522 employees)
- * January, 1991 = *Regional West* had its peak number of teams at 56.
 - 8 Lead Teams (policy setting)
 - 5 Cross-District Task Teams (problem-solving)
 - 10 District Task Teams (problem-solving)
 - 32 Functional Teams (problem-solving)
 - 1 Quality In Daily Work Pilot Project Team
- * July, 1991 = Issued final "Replication Announcement" within *Regional West* showing which teams had developed solutions and where and when they had been issued for possible replication within the function and across the company.

Other Historical Remarks:

- * To accommodate the *Regional West* activity above, it involved two full-time facilitators, six part-time facilitators in the districts, 56 team leaders and about 350 team members.
- * Somewhat of a bureaucratic process, but done by design to accomplish two purposes:
 1. Training (problem-solving, teamwork, leadership)
 2. Involvement - learn best by doing
- * Three phases of QIP:
 1. Teams - 7 Step Problem-Solving Process
 2. Managing For Quality
 3. Quality In Daily Work - Process Analysis (flowcharting)
- * *Regional West* had some very good teams that produced some very good solutions:
 - Eldon = parallel-groove connectors and insulating covers
 - Wentzville = natural gas pipeline markers
 - Jefferson City = customer-owned meter poles
 - Moberly = gas pipe cleaning tool
- * The Process produced approximately 150 formal team solutions resulting in just over \$6.8 million in savings company-wide over a five year period.

June 3, 1987

QIP Recognition Guidelines

Through the QIP recognition plan, Union Electric communicates that (a) employees are the company's most valuable resource, and (b) efforts toward quality improvement have a high priority in the company.

Management is encouraged to value the individual and demonstrate a sincere commitment to the QI Process. This is accomplished by providing employees opportunities to participate in problem solution and decision-making processes, improving communication, and maintaining management visibility and accessibility.

Recognition is a means to acknowledge Quality Improvement Teams for participating in the Improvement Opportunity Process and to demonstrate appreciation for contributions toward quality and system improvement.

Acknowledging the achievements of members of Quality Improvement Teams is necessary for maintaining motivation and sustaining the existence of the Quality Improvement Process.

It is ultimately the responsibility of Function management to "celebrate the success" of QI Teams. These guidelines are provided as recommendations for maintaining an equitable recognition process throughout Union Electric. However, built into the recommendations is the flexibility to allow each Function to recognize its employees in a manner most appropriate to the function culture.

Methods for recognizing Team Members can be categorized into two types:

1. Corporate
2. Function

1. Corporate Recognition - this type of recognition includes all recognition methods that are uniform across Function lines.

- A. Team Member Training Certificate - all team members shall receive a QIP certificate upon completion of Team Member Training. The certificate will be issued by the Quality Improvement Division and be signed by the appropriate Team Leader, Facilitator, and Function Head. Certificates will be suitable for framing with the U.E. Stores Frame number 49-05-327, 8x10 black frame.

- B. QIP Lapel Pins - all Team Members, all participants in Team Leader Training and all participants in Leadership for Managers Training will receive a QIP lapel pin.
- C. Team Leader Training - Upon completion of Team Leader Training each participant will receive a framed training certificate signed by the instructor, Manager of QID, and Manager of Training and Personnel Development. All class participants will also receive a QIP coffee mug. Certificates and coffee mugs will be distributed by QID.
- D. Leadership for Managers Training - Upon completion of Leadership for Managers Training each participant will receive a framed certificate signed by the instructor, Manager of QID and Manager of Training and Personnel Development. Certificates will be distributed by QID.
- E. Facilitator Training - Upon completion of Facilitator Training each participant will receive a framed certificate signed by the instructor, Manager of QID and Manager of Training and Personnel Development. Certificates will be distributed by QID for presentation by his/her Function head.
- F. President's Award - a means of recognizing unique QI Teams. This program will be developed in the future as teams become familiar with the QI Process. (see Attachment A)

Note: Items A. through E. will be provided by the Quality Improvement Division

2. Function Recognition

- A.. Demonstration of Management Interest - a means of showing interest and support
 - Attend Team meetings occasionally by various levels of management
 - Attend Management Presentation and provide adequate and prompt feedback on the Team's use of the Process
 - Provide support to Team Leaders
 - Include Team activities in function goals and activity reports
 - QID will coordinate a supply of items available for Function recognition

Teams should be recognized for such elements as:

- Use of QI Process
- Uniqueness of solution
- Number of team meetings scheduled and completed during the recognition cycle.
- Organization of presentation
- Number of solution acceptances during the year
- Number of management presentations made during the year

B. Publicity - ways of creating an awareness of Team efforts

- Posting of Team Progress Chart (include Team picture)
- Articles on Team progress in Function newsletter (if applicable)
- Bulletin Board announcements on formation of team, team problem, solution, etc.
- Progress report on Teams in Staff meetings
- Article in U.E. News on Team solution
- Segment in Inter/Connect on Team Solution

Resources for Recognition

Each Function will allocate a specified amount to be used to aid in "celebrating success" upon completion of the problem-solving process. This amount will be formulated by multiplying the number of team members plus others who have completed formal training by \$20 per year.

The Function head must exercise discretion in spending this allocation to assure appropriate sharing of recognition among team members.

QIP President's Award

The QIP President's Award serves as recognition for unique Quality Improvement Teams. While all teams at Union Electric are worthy of Executive recognition, this award will serve to recognize those Teams who stand out above the rest.

Measurement criteria may include:

- Use of QI Process
- Innovation of Solution
- Tangible or Intangible value of Solution
- Broad application in various areas
- Organization of presentation
- Number of solution acceptances during the year
- Number of problem solutions made during the year
- Number of team meetings scheduled and completed during the year. Meetings cancelled at Management's discretion will be counted as completed.

Each Function may nominate a specified number of teams dependent on the size of the function and Team eligibility based on the measurement criteria.

A recognition program will be developed to support these unique teams. Such a program could include a corporate dinner (with executive management present), Team presentations to a QIP Review Committee, attendance at the IAQC annual conference, etc.

Union Electric Company

EMPLOYEE RECOGNITION PROGRAM

QUALITY IMPROVEMENT PROCESS

REGIONAL WEST

STEP #1 RECOGNITION WHEN AN EMPLOYEE IS ASSIGNED TO A TEAM

- Item A - Department Manager letter of recognition sent to each employee.
- Item B - Recognition during employee gathering.
- Item C - Recognition to be placed in company media.

STEP #2 RECOGNITION WHEN TEAM COMPLETES FORMAL MANAGEMENT PRESENTATION

- Item A - Regional West V.P. letter of recognition sent to each employee.
- Item B - Annual breakfast or lunch for team members.
- Item C - Individual framed certificates presented during an all-employee meeting.
- Item D - Recognition to be placed in company media.

STEP #3 RECOGNITION WHEN TEAM COMPLETES SEVENTH STEP OF IMPROVEMENT PROCESS

- Item A - Senior V.P. letter of recognition sent to each employee.
- Item B - Media recognition to be placed in company media.
- Item C - Regional and Department "Wall of Fame."
- Item D - Employee selects gift from catalogue once each year.

TEAM NAME _____

TEAM # _____

RECOGNITION STEP	ACTION	RESPONSIBLE PERSON	WHEN	COMPLETED
#1	Letter to team members	Dist./Dept. Manager	Assigned to a team	
#1	Recognition at employee gathering	Dist./Dept. Manager	Assigned to a team	
#1	Recognition in co. media	Team Facilitator	Assigned to a team	
#2	Reg. V.P. letter to each team member	V.P./Facilitator	Annually with management pres.	
#2	Annual breakfast/lunch	Dist./Dept. Manager	1 per year with management pres.	
#2	Indiv. framed certificate	QID print, V.P. sign Fac. frame, Mgr. issue	1 per year with management pres.	
#2	Recognition in co. media	Team Facilitator	Following mgmt. presentation	
#3	Senior V.P. letter to each team member	Manager/Senior V.P.	Team released from tracking	
#3	Recognition in co. media	Team Facilitator	Team released from tracking	
#3	Regional & Department "Wall of Fame"	Facilitator/Manager	Team released from tracking	
#3	Team members select gift from catalogue	Dist./Dept. Manager	Annually per project when released from tracking	

REGIONAL WEST

PLEASE SUBMIT
TO TEAM'S
FACILITATOR!

Suggested Media Form For QIP Recognition

Date _____

STEP 1 RECOGNITION:

1. District/Department _____
2. Division _____
3. Date (member(s) selected) _____
4. Team name (for existing team with replacement member(s)) _____

- | 5. <u>Team Members Selected</u> | Classification/Title |
|---------------------------------|----------------------|
| a. _____ | Team Leader |
| b. _____ | |
| c. _____ | |
| d. _____ | |
| e. _____ | |
| f. _____ | |
| g. _____ | |
| h. _____ | |
| i. _____ | |
| j. _____ | |

6. Facilitator _____
7. Team Member training dates _____
8. Regular meeting dates _____

STEP 2 RECOGNITION:

9. Team code (number) _____
10. Date of management presentation _____
11. Improvement Action Memorandum number _____
12. Date the Problem Statement was written _____
13. Problem Statement _____

14. If approved, was solution for trial or full implementation? _____
15. Solution Statement _____

16. Economic Evaluation

Savings: Direct \$ _____
Indirect \$ _____
Total \$ _____

Costs: Direct \$ _____
Indirect \$ _____
Total \$ _____

Net Savings = Total Savings - Total Costs = \$ _____

17. Please give a brief (2-3 paragraph) recount of team's QI story. In other words, recap what the team did in Steps 1 through 4 or 5 (as applicable) of the Improvement Opportunity Process. Use a separate sheet if necessary.

STEP 3 RECOGNITION:

18. Date of approval for full implementation _____

19. Date the full implementation is accomplished _____

20. Date Step 7 is completed and tracking ceased _____

21. Revise Economic Evaluation (if necessary).

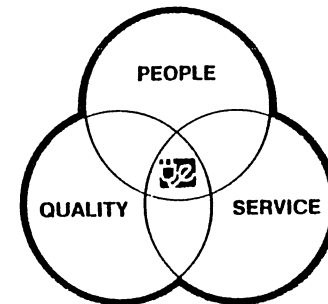
Net Savings = Total Savings - Total Costs = \$ _____

22. Please give a brief (2-3 paragraph) recount of team's QI story. Recap Steps 1-7 of Process, especially highlighting the Tracking Effectiveness Step (Step 7). It's important to know how the solution was tracked. Use a separate sheet if necessary.



Certificate of Recognition

This is to Certify that

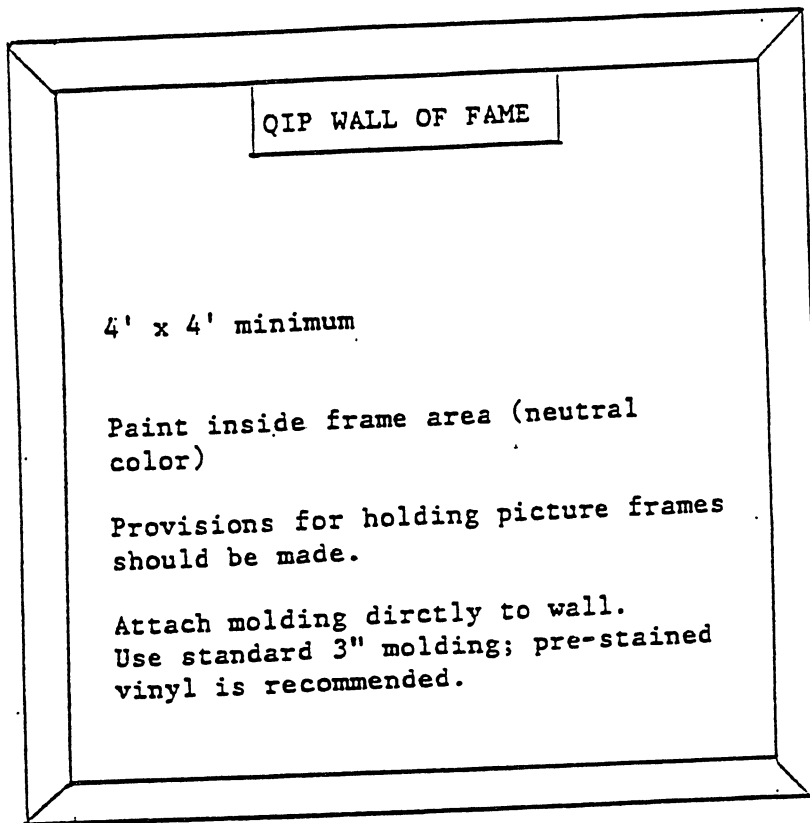


*IS HEREBY AWARDED THIS CERTIFICATE OF RECOGNITION
FOR ACTIVE AND COOPERATIVE PARTICIPATION IN
THE QUALITY IMPROVEMENT PROCESS
WITH AN IMPROVEMENT OPPORTUNITY PRESENTATION*

FOR THE YEAR

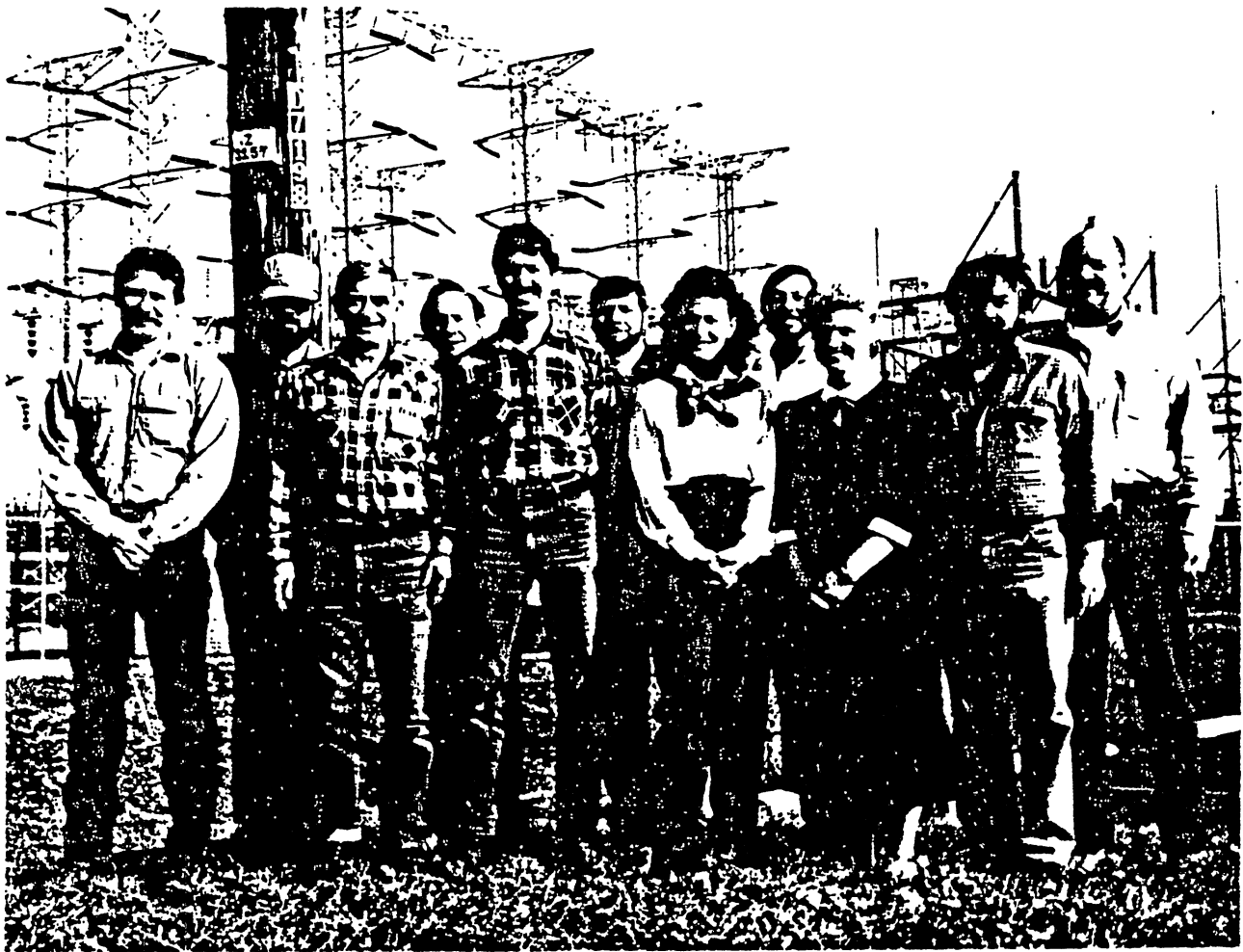
Revised 2-22-89

WALL OF FAME GUIDELINES.



Install QIP Wall of Fame sign inside frame (centered, up against top). Signs have self-adhesive strips; available from facilitator(s).

Attachment 5



"LAKESIDE TROUBLESHOOTERS" Lakeside District

The team's solution, presented to management August 30, 1988, focused on reducing wasted time in the field when locating the correct customer during outages or field call situations. The main causes of the problem were county roads are not marked and few homes have street addresses.

The team developed a Total Load Management (T.L.M.) tagging system for marking overhead transformer poles. Stickers are put on metal plates and nailed to new and existing poles as transformers are installed, worked on, or replaced.

Team members (left to right) are:

Front Row - Walt Acklie; Bob Shelton, Terry Ryterski; Maryellen Phillips, Linda Beckley; Charlie Brewer.

Back Row - Dean Woodcock; Tom Zander; Jerry Backes, Facilitator; Cecil Payne; George Eisenbath, Team Leader.

Not Pictured - Leo Sander; David Aten.

REGIONAL WEST
GUIDELINES FOR
QUICK SUCCESS ITEMS

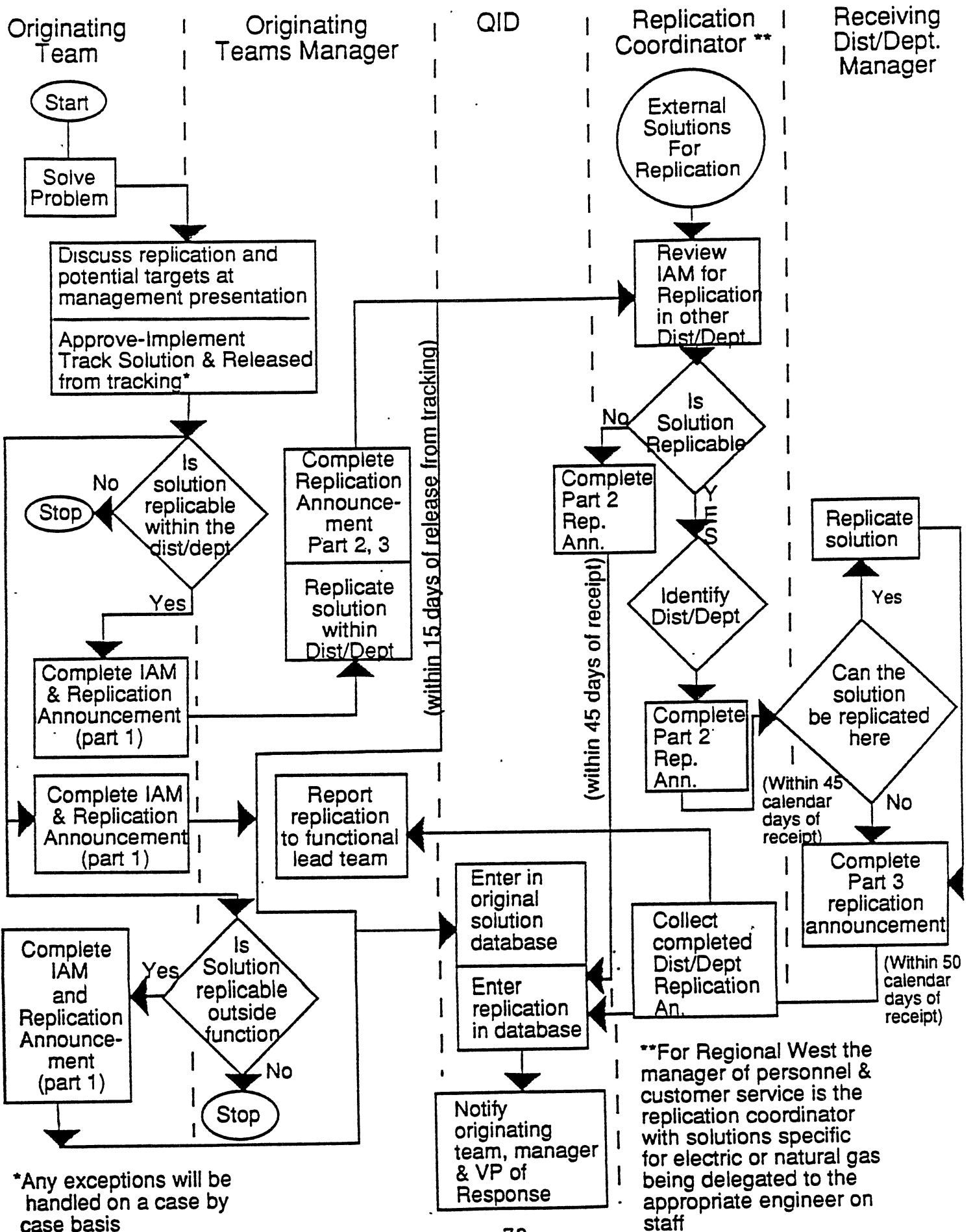
A Quality Improvement Process team should consider an improvement opportunity as "Quick Fix" or "Quick Success" only if it meets the following guidelines:

1. It is an item that affects the immediate work area (division or works headquarters) with a somewhat obvious solution.
2. The solution can be approved by a first line supervisor, district superintendent or district/department manager. First and second line supervisors should be consulted prior to submitting solution to the manager.
3. Team can fully develop a solution in 2 to 3 meetings, with no more than 30 minutes of discussion devoted to it at each meeting.
4. Team must submit the improvement opportunity on a "Quick Success List" form (copy attached) to the appropriate management level. Under the Action Taken/Action Recommended column spell out an action plan recommending who would implement the solution, if it's approved, and how (step-by-step) it would be implemented.
5. Team should also submit what quality indicators would be used to track the implementation, success and cost savings of a solution.
6. Remember, even on a "Quick Success" item, some data must be gathered surrounding the problem and solution. Don't submit unfounded solutions.

QIP QUICK SUCCESS LIST

DESCRIPTION OF PROBLEM(S)	ACTION TAKEN / ACTION RECOMMENDED	DATE COMPLETED (INDICATE DATE SENT - SENT TO, ETC)

REPLICATION FLOWCHART



June 13, 1994

Dear Fellow Employee,

Our goal of inspired, innovative and empowered employees is critical to the success of our organization. These attributes show through to the customer. It's important to recognize these characteristics, which lead to the exceptional performance that is so important to Sprint/United Telephone-Midwest's focus on quality.

There are several ways for us to encourage and reward each other for help with team projects or individual tasks. Whether it's through a TeamWork Award recognizing a group's effort, or an Extra Award acknowledging a co-worker who has gone above and beyond the duties of their job, we all have the opportunity to stop and say "thanks for the help."

Nomination forms and guidelines for these programs are included in this packet, and additional copies can be found on local bulletin boards. While the program has not changed, the forms have a new "look." Coinciding with our need to replenish our supply of certificates and notepads, we've incorporated the new "Sprint look" you've seen in the last few issues of Visions.

And, we've added something new for your convenience-- automated nomination forms. If you don't have a form handy, you now can use Profs. The directions are in your packet.

We hope you use the TeamWork and Extra Awards to thank those who help you with special projects. Please remember to use the "Thanks for Your Extra Effort" notepads also. You can use these notes to express appreciation to your co-workers for extra effort in their day-to-day work. Additional notepads are available from your local or headquarters public relations department.

Please contact Laurie Hansen, 913/345-4935 or PROFS LAH6, with any questions you have about the programs.

Sincerely,



Ben Watson
Public Relations Director

encl.

Aesop's Fable: "The Goose and the Golden Egg" is the story of a poor farmer who one day visits the nest of his goose and finds at her side a glittering golden egg. Thought to be a trick, he decides to take it home where he learns to his delight that the egg is actually made of pure gold. Every morning thereafter the farmer gathers one golden egg from the nest of the goose, and soon becomes fabulously wealthy. As he grows rich, however, he also grows greedy and impatient with the output of the goose. In an attempt to get all the golden eggs from the goose at once, he kills and opens it, only to find nothing!

The moral of this fable is a basis for our employee recognition program. "Keeping the goose alive" means not only recognizing employees' major contributions to our company's success, but also showing appreciation for their smaller, day-to-day successes and individual well-being.

Following are ways you can express your "thanks" to fellow Sprint/United Telephone-Midwest employees.

"Thanks for Your Extra Effort" Pads

Good jobs employees perform in the course of their day-to-day routine sometimes go unrecognized. These "Extra Effort" note pads help make it convenient to recognize employees for their quality efforts. They are awarded on-the-spot by any employee wishing to thank another for a job well done. "Extra Effort" pads are available from public relations.

"Extra" and "TeamWork" Awards

The company offers two awards in recognition of exceptional performance exhibited by individuals or teams. Nomination forms for these awards can be found on all bulletin boards.

The "Extra" Award is given by the president in honor of an individual's outstanding performance above and beyond the call of duty, or for quality customer service. Any employee may nominate another simply by completing one of the nomination forms.

Winners receive a certificate from the president and a solid brass golden egg symbolizing their "outstanding efforts." Winners also are eligible to receive prizes in random drawings. These semiannual drawings select one winner per region for prizes worth up to \$50.

The "TeamWork" Award is a certificate given by the president in recognition of exceptional "team" performance. Teams may range from two people within a work group to numerous employees supporting an interdepartmental project. Any management employee (supervisor and above) may nominate a team. Nomination forms with more than 15 employees must have the approval of the department vice president.

"Thank You Cash Award"

Employees who far exceed performance expectations in accomplishments beyond the scope of their normal responsibilities may be eligible for a \$50 to \$500 cash award. Nominations must be made by a director or officer and signed by the appropriate vice president or the president.

In addition to the cash award, the employees also receive a congratulatory letter from the nominating director or officer.

Nomination forms may be obtained from compensation and benefits staff in human resources.

“EXTRA”

AWARD PROGRAM GUIDELINES



Eligibility Guidelines:

Any individual Sprint/United Telephone–Midwest employee who demonstrates EXCEPTIONAL performance or QUALITY customer service is a candidate for the “Extra” Award. Nominations must cite specific action for which an employee is being recognized and how it exemplifies these criteria. (Customer service applies to internal customers as well as external customers.)

How to Nominate:

Any employee can nominate another employee for the “Extra” Award. Nomination forms are available from local public relations departments or from headquarters public relations. The form also now may be completed electronically on PROFS.

Submitting the Nomination:

There are two ways to submit this nomination: complete a nomination form available on all bulletin boards and send it via interoffice or U.S. mail to the office of the Sprint/United Telephone–Midwest president; or access the nomination form electronically through PROFS.

Here’s how to access the PROFS form:

1. On the PROFS main menu, press PF5 to Prepare Documents.
2. Type “Extra” for the Extra Award form; then press PF2.
3. When the document appears on your screen, simply fill in all the information, using the PF7 key to advance the cursor through the form.
4. After the form is completed, press PF12 and then press PF5 to File the Document as a Final Document (and mail).
5. On the next screen, make sure there is a “Y” beside the Mail the Document command; hit enter.
6. On the next screen, type your name on the “FROM” line; type Connie Millard on the “TO” line (Connie is the president’s secretary, and she will forward the note to the president.); and then type “Extra” on the “subject” line; hit enter.
7. On the next screen, type Connie’s PROFS ID, CSM2; then press PF1 or PF2 to send the document (depending on whether you want to include a memo).

What Does the Award Winner Receive?

Winners receive a personally signed certificate from the president. Winners also receive a golden egg and are automatically entered in a semiannual drawing for prizes worth up to \$50. These random drawings select one nominee for each of the six regions, Gardner and the 5454 Building.

The winner’s supervisor will receive a copy of the certificate. A copy also will be placed in the winner’s permanent personnel file.

“EXTRA”

AWARD NOMINATION FORM

Nominated by: _____
(name, title and department)

(interoffice mailing address or U.S. mail address; phone number)

I would like to nominate...

(name, title and department)

(interoffice mailing address or U.S. mail address)

(supervisor's name)

(supervisor's interoffice address or U.S. mail address)

...for the following exceptional/quality job performance.

(Please highlight how the performance exceeded job expectations.)

Using 20 words or less, please indicate wording to be used on the “Extra” Award certificate.

The above information must be FULLY COMPLETED in order to process your nomination. Only one person may be nominated per form. Mail completed form to one of the adjacent addresses:

Interoffice Mail:
President
Sprint/United Telephone–Midwest
5454 Building
Overland Park, KS 66211

U.S. Mail:
President
Sprint/United Telephone–Midwest
5454 W. 110th Street
Overland Park, KS 66211

(see other side for guidelines)

“TEAMWORK”

AWARD PROGRAM GUIDELINES



Eligibility Guidelines:

Any group of two or more Sprint/United Telephone–Midwest employees demonstrating outstanding or exceptional performance on a “team” project.

How to Nominate:

Any management employee (supervisor or above) may nominate team members by filling out a nomination form. Any form with more than 15 members must have the approval of your department vice president. Forms are available from local public relations departments or from headquarters public relations. The form also now may be completed electronically on PROFS.

Submitting the Nomination:

There are two ways to submit this nomination: complete a nomination form available on all bulletin boards and send it via interoffice or U.S. mail to the office of the Sprint/United Telephone–Midwest president; or access the nomination form electronically through PROFS.

Here’s how to access the PROFS form:

1. On the PROFS main menu, press PF5 to Prepare Documents.
2. Type “Team” for the TeamWork Award form; then press PF2.
3. When the document appears on your screen, simply fill in all the information, using the PF7 key to advance the cursor through the form.
4. After the form is completed, press PF12 and then press PF5 to File the Document as a Final Document (and mail).
5. On the next screen, make sure there is a “Y” beside the Mail the Document command; hit enter.
6. On the next screen, type your name on the “FROM” line; type Connie Millard on the “TO” line; (Connie is the president’s secretary, and she will forward the note to the president.); then type “TeamWork” on the “subject” line; hit enter.
7. On the next screen, type Connie’s PROFS ID, CSM2; then press PF1 or PF2 to send the document (depending on whether you want to include a memo).

NOTE: If your nomination includes more than 15 team members, it must be printed off and signed by your department vice president.

After the nomination form is processed, team members will receive a TeamWork Award certificate from the president thanking them for their exceptional efforts.

“TEAMWORK”

AWARD NOMINATION FORM

Nominated by: _____
(name, title and department)

(interoffice mailing address or U.S. mail address; phone number)

I would like to nominate...

- | | |
|-----------|-----------|
| 1. _____ | 11. _____ |
| 2. _____ | 12. _____ |
| 3. _____ | 13. _____ |
| 4. _____ | 14. _____ |
| 5. _____ | 15. _____ |
| 6. _____ | 16. _____ |
| 7. _____ | 17. _____ |
| 8. _____ | 18. _____ |
| 9. _____ | 19. _____ |
| 10. _____ | 20. _____ |

(NOTE: Please verify the spelling of each nominee's name. A nomination of more than 15 employees requires the signature of your department vice president. List additional names on a separate sheet and attach.)

(vice president)

Using 20 words or less, please provide the reason for this nomination below. This wording will be used on the “TeamWork” Award certificate presented to your team members.

The above information must be
FULLY COMPLETED in order
to process your nomination.
Mail completed form to one of
the adjacent addresses:

Interoffice Mail:
President
Sprint/United Telephone–Midwest
5454 Building
Overland Park, KS 66211

U.S. Mail:
President
Sprint/United Telephone–Midwest
5454 W. 110th Street
Overland Park, KS 66211

(see other side for guidelines)

Thanks for your

Extra Effort

Thank you, _____,

for _____

Way To Go!



Sprint

United Telephone-Midwest

cc: _____

TAB J

**JOB DESCRIPTION FOR EXECUTIVE DIRECTOR AND INITIAL DEPUTY
DIRECTOR OF THE OFFICE OF EXCELLENCE IN CUSTOMER SERVICE**

Executive Director of the Missouri Office of Excellence in Customer Service *

Purpose of the Job:

Direct, manage and guide the implementation of customer service improvement processes as a positive business strategy across state government.

Major Job Responsibilities:

Lead and manage Missouri state government's customer service initiatives as outlined in the Commission on Management and Productivity's Final Report.

Assist state department's with the development of action plans and strategies for attainment of customer service goals as defined by the customers.

Assist state department's with the development, implementation, refinement, and deployment of customer service evaluations that meet or exceed standards of accuracy, clarity and effectiveness.

Serve as a member of the Commission on Excellence in Customer Service to ensure that individual departmental customer service efforts are integrated into the state-wide plan.

Lead departmental customer service initiatives by initiating action, coordinating action, coordinating activities, communicating information, motivating employees, and promoting teamwork and empowerment.

Assist state department's by identifying necessary technical expertise for the successful implementation of customer service initiatives.

Assist state department's in the utilization of problem-solving tools and techniques.

Working Knowledge:

This job requires a minimum of a bachelor's degree and 5 years work-related experience or an equivalent combination of education and experience.

The primary or most necessary skills required for this job are leadership skills, analytical, communication, short-term planning and strategic planning skills.

This job description is intended to reflect the general nature and level of work being performed by employees assigned to this classification. It is not intended to be an exhaustive list of all responsibilities, duties and skills required.

* This job description should also be used for the initial position of Deputy Director of the Office of Excellence in Customer Service. This individual could assume the duties of the Executive Director upon completion of these duties by the Loaned Executive to maintain continuity and minimize transitional problems.